

Sustainable Funding for Conservation of Iowa's Natural Resources Meeting Summary

**Tama County Nature Center – Toledo, Iowa
October 11, 2006**

Committee members present:

Mark	Ackelson		Iowa Natural Heritage Foundation
Dan	Cohen		IACCB
Dick	Dearden		IA Senate-Democrat
Barbara	Finch		Iowa Farm Bureau
Rich	Leopold		Iowa Environmental Council
Lola	Lopes		The Nature Conservancy
Pauline	Novotny		Izaak Walton League of Iowa
Marvin	Shirley		Farmers Union
Duane	Sand	for Ken Tow	Secretary of Agriculture
Dave	Van Waus		Pheasants Forever
Jane	Clark		Sierra Club
Ken	Herring	for Jeff Vonk	IA DNR - facilitator
Henry	Rayhons		Iowa House of Representatives-Republican
Tammi	Kircher		Ducks Unlimited

Committee member(s) absent:

John	Whitaker		IA House of Representatives-Democrat
Mary	Lundby		Legislative Staff: IA Senate-Republican
Owen	Shunkwiler		Iowa Renewable Fuels Association
Jim	Obradovich		Conservation Districts of Iowa

Committee Support Staff

Diane	Ford-Shivvers	IA DNR Legislative Liaison / SF Support
Doug	Harr	IA DNR Program Coordinator/SF Facilitator
Kim	Rasler	IA DNR / SF Support
Peter	Fritzell	IA DNR / SF Support
Jim	Zohrer	contract support through DNR

Public present:

Jace	Mikels	IA Senate – Dem
Angela	Grover	The Nature Conservancy
Deb	Kozel	LSA
Ryan	Heiniger	DU

Welcome, Introductions, Opening Remarks - Ken Herring / Doug Harr

Public present were acknowledged and appreciation was given to the committee for their commitment to the process of completing this charge from the legislature.

Summary of 09/20/06 meeting and review 10/11/06 agenda - Doug Harr **Review/discuss status of tasks and draft completion plan - Doug Harr**

Doug Harr presented an update and timeline of the charge.

- Report Creation – Jim Zohrer will be assisting with creating and writing the report as required based on the information the committee presents.
- HF2797 a. - information collecting: Anthony Phillips and DNR have collected and presented this data for the committee's review.
- HF2797 b. - outline funding initiatives: 10/05/06 subcommittee has narrowed down funding vehicles and the committee will discuss the results today.
- HF2797 c. - outline revenue needed and what would be accomplished: The support staff is getting near completion of assembling that information and the committee will hear more today.
- HF2797 d. - willingness to pay: Peter Fritzell will present information on status today.

Willingness to Pay Public Survey update/status – Peter Fritzell

The RFP (request for proposal) has been created and submitted. 11 firms identified and asked to submit bids and contract selection will be this month (Oct 2006) with the intention that the contractor will begin the telephone survey by November 1, 2006.

The bidding process follows State guidelines. The bid request has been submitted to targeted small businesses and other firms will be invited after 3pm today, 10/11/06. The committee requested it be researched on how/if the bid request can be put on the sustainable funding website. Diane Ford-Shivvers will talk to Kelley Myers about putting the bid process/bid request on the sustainable funding website.

The committee is requested to work today to narrow down the funding mechanisms to 4, at most, to be able to provide guidance to the survey contractor when they are selected. Information was given to the committee that offered guidance via case studies to help in selecting appropriate mechanisms.

Discussion and results of committee questions clarifying survey aspects:

Criteria for people being surveyed are those 18 yrs or older and they will be individuals across Iowa. Committee members discussed the need for polling only registered voters or not. Points made were: * not all taxpayers are registered voters and * may need registered voter support since possible passing legislation. Committee suggestion made was to ask the person being surveyed if they are a registered voter or not and will be able to view that criteria.

The survey contractor will be asked to help develop the questions, carry out the telephone survey within the time frame, and prepare data collection reports(s). The survey is anticipated to distinguish willingness to pay and show which options would garner support or opposition.

Survey Related Discussion, Suggestions, and Requests:

Survey questions and concepts were discussed in how the public should be informed and asked questions. Direction was accepted to allow the survey contractor to develop and provide the survey questions based on what the committee provides them and the survey subcommittee will work with them to tweak the questions to meet Iowa's needs.

Angela Grover agreed the committee will want to know willingness to pay and what people will support. To combine the types of questions efficiently, the public could be asked questions like:

Would you be willing to pay more on your water bill? How much more would you be willing to pay?

Are you willing to support trails?

Are you willing to support parks?

Are you willing to support feed lots?

This will let you know where they're willing to put that money.

Committee agreed that items that need to be tested with the public are:

- Any tax increase
- Borrowing
- Shifting resources (for example, from DOT to trails (ie Are you willing to give up 1% of road services to be put toward adding trails?))
- getting public's input about bonds and gambling money

Committee suggests the surveyor ask the person being surveyed if they are a registered voter or not and be able to view that criteria in the survey report generated.

Report on Funding Vehicles and Funding Needs – Subcommittee

(Cohen, Leopold, Obradovich, Tow, Herring)

Rich Leopold presented 10/05/06 subcommittee meeting results and reviewed the working tool Funding Vehicles/Funding Needs Table. During the subcommittee meeting: 1) estimated amounts were identified and 2) funding vehicle considerations were: familiarity of the vehicle, legislative needs (i.e. consequences of increasing REAP to more than is legislated at this time), and connection (i.e. what will the public connect to – taxes vs informing fees will pay for a specified need). In evaluating the vehicles and needs, the subcommittee tried to stay away from minutia and used broad strokes.

Seven funding vehicles were identified as encompassing tools to assist in filling funding needs: REAP (Resource Enhancement and Protection), LCPP (Local Conservation Partnership Program), WIRB (Watershed Improvement Review Board), Lake Restoration, IA DNR (IA Department of Natural Resources), IDALS (IA Department of Agriculture and Land

Stewardship), Trails. The funding vehicles are connected to the natural resource categories previously identified: fish, wildlife, natural areas; soil and water; parks and trails.

When the Table was designed, it was with the generic timeline of 25 years, thinking along similar timelines of the wildlife action plan and parks 20/20 plan. Committee discussion identified this may be too long of a time for the public to consider and legislators to work with. Also, the committee needs to consider bond timelines if bonds are used.

Funding Vehicles/Funding Needs General Discussion Points:

- * Consideration was given to how the needs of utility boards and water and sewer treatment are met.
- * An updated draft version of the financial needs was presented showing duplications removed out of the annual funding needs to compare with funding Table.
- * Discussion held on funds for water quality, non-point source pollution control, sewage treatments, and feed lots. It was determined the current funding vehicles of IDALS and IA DNR would address these issues, as well as NRCS resources and cost share programs.
- * Education is what drives conservation – conservation is a people need and the package includes the operational needs to get conservation needs met.
- * It was noted that the legislative charge does not refer to additional funding – the committee will discuss in future meetings how to present the needs in the report (current funding plus additional need or total need), along with how monies will be acquired to reach the need.
- * The committee discussed the Environment First Fund’s role in funding distribution. EFF is funded through gaming money and the committee may want to explore using EFF and adding a new program under EFF as a possibility. EFF is not continually funded as originally set up to be. May want to ask the public their input on putting the money back to what it was.

In discussing the amount to consider fulfilling funding needs, the committee debated amounts to consider. \$150 million was noted as the amount to explore getting sustainable funding to meet identified needs for the 7 identified funding vehicles. Committee evaluated the Table information and identified amounts to attach to the Funding Vehicles.

REAP (Resource Enhancement and Protection)

REAP DISCUSSION/POINTS MADE

- May want to note REAP’s total need (\$20 million) versus asking for \$9 million to get it up to the \$20 million legislated.
- REAP funds are lacking so that county applications not funded 5:1 and unfunded city applications 3:1.
- REAP’s current \$11 million being received is not secure and not sustainable.

RECOMMENDATION(S) FOR REAP

- Fund at \$20 million (showing fully funded) versus showing a \$9 million need.

LCPP (Local County Partnership Program)
<p>LCPP DISCUSSION/POINTS MADE</p> <ul style="list-style-type: none"> - It was agreed that cities need a source of funding, however it was noted that rural areas, also, need funding due to lower tariff areas. - The placement of the NGOs were noted as needing to be included
<p>RECOMMENDATION(S) FOR LCPP</p> <ul style="list-style-type: none"> - Add “cities” and “NGOs” to the text. - Identify \$5 million in the description to be used toward the Loess Hills. This money could have potential to leverage federal funds. - Fund at \$20 million
WIRB (Watershed Improvement Review Board)
<p>WIRB DISCUSSION/POINTS MADE</p> <ul style="list-style-type: none"> - Concern was expressed that watershed funding is shown under 3 different vehicles in the Table: WIRB, Lake Restoration, and IDALS. It was determined that, although there may be similar categories to fund (i.e. watersheds) under different vehicles, the programs issued by the vehicles or the results intended by the programs are not necessarily the same, nor is the receipt of funding to implement those programs. Also, Lake Restoration identifies needs in the lake and the watershed is taken care of outside of the Lake Restoration vehicle/funds. - WIRB benefit is that it’s an independent agency looking at similar problems and is performance based
<p>RECOMMENDATION(S) FOR WIRB</p> <ul style="list-style-type: none"> - Fund at \$20 million
LAKE RESTORATION
<p>LAKE RESTORATION DISCUSSION/POINTS MADE</p> <ul style="list-style-type: none"> - Lake Restoration identifies needs in the lake and the watershed is taken care of outside of the Lake Restoration vehicle/funds.
<p>RECOMMENDATION(S) FOR LAKE RESTORATION</p> <ul style="list-style-type: none"> - Fund at \$10 million
IA DNR (IA Department of Natural Resources)
<p>IA DNR DISCUSSION/POINTS MADE</p> <ul style="list-style-type: none"> - Committee expressed concern that the DNR funding needs portion is considerably smaller than the other items listed and requested the DNR amount be increased. The funding sheet shows more need than is listed on the Table and it should be increased.
<p>RECOMMENDATION(S) FOR IA DNR</p> <ul style="list-style-type: none"> - Add state preserves - Add wildlife diversity - Rename vehicle, focusing on plans versus agency - Balance description between programs and reduce text - Fund at \$35 million

IDALS (IA Department of Agriculture and Land Stewardship)
<p>IDALS DISCUSSION/POINTS MADE</p> <p>- IDALS funding was discussed and it was determined to respect funding needs proposed, although increase the funding \$5 million more for adequate coverage.</p>
<p>RECOMMENDATION(S) FOR IDALS</p> <p>- Rename vehicle, focusing on plans versus agency - Reduce description text - Fund at \$30 million</p>
TRAILS
<p>TRAILS DISCUSSION/POINTS MADE</p> <p>- Dan Cohen noted, in addition to the Trails category on the Table, trails leverage more money than any other project. If trails are allotted \$10 million, they might be able to leverage another \$80 million out of federal funds. - Trails figure should be closer to \$15 million to address the maintenance piece. Counties are currently carrying the bulk of this cost. - Re trails, inquiry made if funds are included for acquisitions. It is believed that funds are covered in the funding vehicles although the committee may want to think about funds to better promote destination trails and upgrade trails to state park quality.</p>
<p>RECOMMENDATION(S) FOR TRAILS</p> <p>- Fund at \$15 million</p>

Presentation of Supplemental Funding Information - Duane Sand/Doug Harr

This presentation addresses the research into 5 possible funding mechanisms identified by the legislative bodies on the committee that may garner support, of which summaries were created for. Duane reviewed a Discussion Worksheet and summaries 1-4 (Gambling Revenues, Sales Tax/Missouri Model, Gas Tax, Severance Tax on Ethanol Water Permit,). Doug Harr presented information on the fifth funding mechanism (Excise Tax) and its historic lack of feasibility. Discussion was held to clarify aspects/nuances of the summaries.

Committee discussion and decisions regarding funding mechanisms and viability:

- * Excise Tax on Recreation Purchases - Remove as an option
- * Gaming/Gambling Revenue - Keep as an option
- * Existing Sales Tax - Remove as an option
- * Sales Tax Increase – Keep as an option
- * Gas Tax Increase – Remove as an option
- * UST (Underground Storage Tanks) – Keep as an option – with consideration to legislative viability
- * Severance Tax on Water Permit Option (Big Users/1 million gallons per week) – Keep as an option

Water user considerations:

Exclude residents and small businesses

All industries?

Ethanol industries?

Economic development

Corps of Engineers role

Fee to use the water of Iowa

Define “use”

Include heating/cooling use?

Define “fee”

What kind of support for this/these options could occur?

Specific water proposals were brainstormed and decided on:

Tax out of state users of water – Explore further

Severance Tax on all water based exported products – Explore further

Severance Tax on all energy producers – Explore further

Severance Tax on ethanol and bio-fuels – Remove as an option

Severance Tax on water use for ethanol – Remove as an option

The committee inquired on:

What do other states do re water use fees?

Is there information available on taxing big water users?

The 4 identified possible funding mechanisms (Gaming Revenue, Sales Tax Increase, UST, Water Permit Option) will be presented to the survey contractor for direction in preparing the questions.

The committee revisited items on the 09/20/06 funding mechanism survey, as well as other ideas that had been previously mentioned, and made decisions on their status for possible future consideration:

- * User Fees (ie for parks) – Remove it as an option
 - * Tax incentives/credits for benefits to conservation (ie tax if you don’t conserve //credit if you do) – Explore further to see if this is revenue generating
 - * Real Estate Transfer Fund – Keep it as an option
 - * Tax on those who adversely affect the environment – balanced vote
- Revised question:
- Tax on storm water run off that adversely affects the environment – Explore further
- * Recreational Vehicle Registration (possible \$4-5 million) versus those funds going to the Road Use fund – Explore further

Communication – Doug Harr

How to get Legislators Informed

Committee decided to discuss this agenda item at the next meeting.

ICN Public Information & Input Meeting – format discussion

- * Timeframe: 2 hours recommended by committee
 - ½ hour presentation by committee members to public
 - 1 ½ hours for public questions to committee and to submit input
- * Committee members will plan to attend in ICN locations near them
- * ICN Promotion
 - DNR support staff will create and send out press releases
 - first one – estimate 2 weeks before event
 - second one – 1 week before event
 - DNR support staff will send email of ICN meeting to identify conservation groups/stakeholders.
 - DNR support staff will send email to committee members for posting/emailing as they see fit

Determine Next Tasks

*** Public comments/webpage text creation**

Draft of text is created and needs committee input as to what you want to ask the public to comment on.

- * encourage public to look at previous minutes
- * summarize highlights
 - note what programs the committee is directing \$150 million to
 - note resources being researched
- * ask for volunteers to help promote sustainable funding

*** Subcommittees**

Funding Vehicle/Needs subcommittee to meet again to:

- * get more specific (ie REAP)
- * take vehicles and tie them to the 3 natural resource categories
- * Kim Rasler - coordinate base subcommittee members and send invite to all committee members to attend if want.

Survey subcommittee to meet again

- * determine where we're going and what we want beefed up.
- * review presented questions and tweak them for Iowa's survey
- * evaluate survey contractor bids received
- * requested that Angela Grover attend/assist the survey subcommittee
- * Kim Rasler - coordinate subcommittee meeting

*** Requests from Committee**

- Diane Ford-Shivvers will talk to Kelley Myers about putting the bid process / bid request on the sustainable funding website.
- Look into the tax codes – believe expressed that there's new money and existing money that may be available regarding tax credits to land owners.
- Look into the program the House of Representative created (Recreational Grant Program) that was to provide \$2 million/year and see what the status of that program is.
- DNR support staff – review/complete recommendations under revised Funding Vehicles/Funding Needs Table above.
- What do other states do regarding water use fees?
- Is there information available on taxing big water users?

*** Next meeting date and location**

Date/Time: Wednesday, November 1, 2006
10am – 3pm

Location: centralized location TBA

Meeting Adjourned (3:45p)

Meeting Summary Prepared by: Kim Rasler